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MONTANA LETTER

January 24, 1974

NEW CED

A belated welcome is extended to Pat Warren as a new member of our Montana ASCS family. Pat was born in Amarillo, Texas in 1948, but moved to Montrose, Colorado when he was ten.

He graduated from high school in Montrose, and from Western State College in Gunnison, Colo., with a major in business administration and a minor in history. He then joined the National Guard and spent 6 months in Fort Lewis, Washington, and Fort Sill, Oklahoma.



Pat Warren

Pat became affiliated with ASCS in Colorado in August of 1972. He was a CED trainee for 13 months. All of this time was spent working in the three training counties.

Pat became executive director of the Rosebud-Treasure County office in September of 1973.

Pat and his wife, Shari, were married in June of 1972. They have bought a house in Forsyth and Shari is busy being a homemaker. Being an avid hunter and fisherman, Pat is looking forward to Montana living.

HAIL AND FAREWELL

It is with a wrench that we say farewell at this time to many of our friends due to the limit of 3 consecutive terms for committeemen.

Roy Killenbeck is leaving the State committee. He became a committeeman in October of 1969. He previously served on the State committee from 1958 to 1961. He has farmed in Daniels County for 40-odd years and has been active in the community in many ways. We appreciate his years of service with us, and feel he has been of inestimable assistance.

We wish you the best, Roy, but will miss you.



Delmer M. Knox (left), print-shop virtuoso in the SO, receives an award for outstanding performance over the past year from Max Maberry, administrative chief.

At the county level, we have quite a list of friends ineligible to serve again this year. They include: Darroll Warren, Big Horn; Herman Friede, Blaine; George D. Rauser, Broadwater; Richard L. Yates, Carter; Everett Goodhart, Cascade; Charles Withrow, Chouteau; Laurence Fouhy, Daniels; Hugo Galle, Jr., Deer Lodge, Rodger Myhre,

Fallon; Wesley Butler, Jr., Fergus; Robert H. Bibb, Jr., Flathead; J.E. Stanton, Garfield; Stuart Herron, Hill; Chuck Smith, Liberty; Halstead Remp, Lincoln; Merlin Shennum, McCone; Lloyd Dunbar, Musselshell; Alexander Malcolm, Park; Gary Gershmel, Petroleum; Clarence Blunt, Phillips; Pete Leonardi, Ravalli; Harry Foss, Richland; Bruce Brookman, Roosevelt; Emil T. Hirsch, Rosebud.

Elmer Lee, Sheridan; William Craddock, Silver Bow; Stuart E. Moore, Sweet Grass; Glen Yeager Teton; Robert Van Hemelryck, Treasure; George Winderl, Valley; Dey Schlapia, Wibaux; and Luther Auer, Yellowstone.

These are all men who have obviously earned the trust and confidence of their neighbors. Their experience and dedication stood us in good stead during times past. On behalf of all of us who have had the opportunity to know and work with them over the past years we would like to express our appreciation and our hope that they will continue an active interest in ASCS programs.

TO ALL COMMITTEEMEN

We would like to express our appreciation to all committeemen for their services this past year. It has been a time of rapid changes on the farm front. Our organization is moving, too, to keep pace with the times. With all of us working together, I am sure in the coming year we can be of even more service to both farmers and the consumer.

RECP AND WATER BANK

The new approach to conservation cost-sharing on American farms retains some aspects of the old REAProgram. Long-term agreements to carry out needed permanent conservation practices under an approved plan, and a Forestry Incentive Program (FIP) to encourage the development, management, and protection of nonindustrial private forest lands are primary additions.

Fourteen practices have been announced as available under both annual and long-term agreements. They are: Establishing Permanent Vegetative Cover; Improving Permanent Vegetative Cover; Planting Trees; Improving a Stand of Forest Trees; Water Impoundment Reservoirs; Stripcropping; Constructing Terrace Systems; Diversion; Streambank Stabilization; Permanent Wildlife Habitat; Sediment Retention, Erosion or Water Control Structures; Sediment, Chemical or Water Runoff Control Measures; Windbreaks or Shelterbelts; and Reorganizing Irrigation System. In addition there will be a New Conservation Problem Practice Authority and a Special Conservation Practice Authority, similar to past programs.

Cost-sharing will range from 50 to 75% of the actual cost, based on needs and justification for increased rates for practices and the availability of funds. The program has been funded Nationwide at \$90 million, of which \$10 was initially earmarked for the FIP.

The Water Bank Program was funded for 1974 at \$10 million, as previously. Counties approved for Water Bank in Montana are Roosevelt, Daniels, Sheridan, Pondera, Toole and Glacier.



Participating owners and operators of eligible wetlands agree not to drain, burn, fill, or otherwise destroy the wetland character of the area. The purpose of the WBPProgram is to preserve, restore and improve wetlands in important migratory waterfowl nesting

and breeding areas and to provide other environmental and agricultural benefits.

A regional meeting covering more details of the programs will be held in Phoenix on January 31st and February 1st. Shortly thereafter the State program will be developed and program details will be sent to all counties.

* * * *

He saved a minute, and lost a limb!
Now there's more time -- and less of him.

CED TRANSFERS

Earl Wohlfstrom, CED of the Jefferson, Madison, and Silver Bow office since June 1971, is in the process of accepting a transfer to the Lewis & Clark County office at Helena. Earl and his wife, Betty, will continue to live on their ranch at Canyon Creek. Asked what they had on their ranch, Earl advised there was sheep, cattle, hay, grain, 4 kids, 2 hogs, a St. Bernard dog, and a bunch of worn out vehicles.

BUTZ DOUBTS \$1 BREAD FROM WHEAT

In his reply to the American Bakers Association request for export controls on wheat to prevent the cost rising enough to force \$1 bread, Secretary Butz provides some interesting facts.

The average price of a $1\frac{1}{2}$ lb. loaf of bread is about 47¢. The farm value of the wheat in that bread is just over 7¢. Other costs and profits account for the other 40¢ in the cost of bread. In order for the wheat in the same loaf of bread to be responsible for \$1 bread, the farm value of that wheat would have to jump from the present 7¢ to 60¢ -- the 60¢ being the difference between \$1 per loaf and the other 40¢ of non-wheat costs and profits in a loaf. For the value of the wheat in a $1\frac{1}{2}$ lb. loaf to rise to that 60¢, wheat at the farm would have to rise to about \$33 per bushel, about six times more than the present high price.

During the past five years, the farm value of the wheat in that $1\frac{1}{2}$ lb. loaf of bread has gone up about 3.4¢, while "other costs and profits" has gone up 10.3¢, three times as much.

The United States grows far more wheat than it uses. Our normal use of wheat for food in the United States is a little over 500 million bushels a year. Last year's wheat crop totaled 1.7 billion bushels. The 1974 crop is expected to top 2 billion bushels -- nearly four

times what we use for food in the U.S.

Most of the wheat that we don't use ourselves is exported for cash. This strengthens our balance of trade, strengthens the dollar and makes it possible for us to import fuel and other vitally important items from other countries which help dampen the fires of inflation.

We are working closely with the grain industry to monitor the export situation and to make sure that no serious problems develop. We will continue to do this, and we expect to have a carry-over reserve of around 200 million bushels next July 1," Butz said.

He said that by late May and June we will have new wheat coming off Southern and Southwestern farms. He emphasized that wheat export controls would be an economic blunder on our part.

TERRY HARMAN TRANSFERS

Terry is leaving the Western Region and going into the Cotton, Rice, and Oilseeds Division. We will all miss him but know he will continue doing an excellent job. We are including his letter for your information.



"As I leave the Regional Office, some regrets are felt because working directly with you and your staff are less likely in the future. My work in the Cotton, Rice, and Oilseeds Division is service to you, however. It has been most enjoyable working with you this short period of time. You have done a good job of directing ASCS Personnel and I know will continue to do so in the future. You are faced with a greater challenge than ever before in working with other USDA agencies in serving farmers and rural America. Our relationship together has been rewarding. Would you please express to your staff,

"county offices, and county committees my appreciation of your cooperation and assistance in our work together. I hope we will have opportunities to work together in the future."

AGRICULTURE GROWING

"Today's growth situation in American agriculture -- with real net income doubling in two years from \$12.4 billion to \$23.0 billion excluding subsidies -- has been made possible by actions of Congress in changing farm legislation to meet the changing times.

"Farm laws written in the 1930s and 1940s would have stimulated world production outside the U.S. to the point that farmers abroad instead of American farmers would be enjoying today's excellent market for food and fiber. American farmers would be experiencing the dubious pleasure of huge surpluses with the American taxpayers having to foot the bill for the purchase and storage of this surplus and payment of large subsidies to farmers. As a result of changes in farm laws, fortunately this situation does not exist for the basic crops of cotton, soybeans, wheat, corn and feed grains.

* * *

"This new farm program approach forces foreign producers to compete with American agricultural efficiency rather than giving them a guaranteed profitable price with little risk on their venture capital.



"Realized net farm income this year will reach \$25 billion -- more than \$5 billion above last year. The increase alone nearly equals the total realized net farm income of \$6 billion in 1941. The record-breaking \$25 billion is

double the comparable figure just a decade ago. At the same time, farm exports have leaped forward. They totaled \$12.9 billion in fiscal 1973. That's 60 percent higher than the previous year and more than double what they were a decade ago. They may reach a new level of \$19 billion this year."

Excerpts from talk by Under Secretary Campbell to Rotary Club in Camilla, Georgia, December 11.

SPREADING IT THIN...AND QUICK

ALL PERSONS CLAIMING AN EXISTING right to water from the Powder River Basin must file an existing right declaration no later than Feb. 1, 1975. An existing water right is defined legally as "the right to the use of water which would be protected under the law as it existed prior to July 1, 1973.....CONGRATULATIONS Andy Schilling in the SO for receiving a quality increase for outstanding performance.....IN TRUCKING WHEAT UNCOVERED with a truck speed of 30 miles per hour, and a headwind of 18 miles per hour, you stand to lose up to 17 bushels of wheat in an 8-mile trip to the elevator.

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